STATEMENT

(Amount in Rs. lakhs)

Name of the branch	Year	Amount involved	Amount recovered	Remarks
Connaught Place	1994	1.00	Nil	A cheque book was issued on the basis of xerox copy of requisition slip to an unidentified person. Three cheques with forged signatures were encashed aggregating Rs. 1 lac. Three officials have been punished for passing the fake cheques. The amount fo Rs 1 lac has been restored to the account concerned.
Karol Bagh	1995	4.40	Nil	One person obtained a cheque by presenting fake requisition slip which is similar to the original cheque requisition slip held with the customer. The culprit encashed seven cheques for Rs. 4 40 lacs and was nabbed while attempting to encash the next cheque and handed over to the police.
Karol bagh	1995	2 90	2 23	Some employees of the account holder obtained cheque book from the branch fraudulently and encashed several cheques, through clearing for the aggregate amount of Rs. 2 9 lakhs. One clerk at the branch suspected to be involved in the branch has been suspended.
Chandni Chowk	1996	0 80		Culprits got cheque requisition slip printed and obtained cheque book with forge signatures Three cheques from this book were encashed for an aggregate amount of Rs. 0 8 lakhs in June 96 Internal investigation by the bank is in progress

[Translation]

Branches of Nationalised Banks

406 SHRI VIRENDRA KUMAR SINGH : Will the Minister of FINANCE be pleased to state

(a) the number of branches of nationalised banks opened during the last three years in Bihar, location-wise, and

(b) the branches of nationalised banks in rural areas proposed to be opened in the near future, location-wise?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P CHIDAMBARAM) (a) Reserve Bank of India (RBI) has reported that the number of branches of public sector banks opened in Bihar during the last three years is as shown below

Year	No of branches
1993-94	20
1994-95	4
1995-96 (Upto 31-12-1996)	6

Location-wise details of these branches are furnished in enclosed statement-I

(b) Location-wise details of rural centres in Bihar in respect of which RBI has granted authorisation to public sector banks for opening branches are at enclosed Statement-II.

STATEMENT-I

Rural Centres of Public Sector Banks Opened in Bihar During 1993-94, 1994-95, and 1995-96 (upto 31-12-1995).

Name of Bank Branch/ Centre	Name of District	Name of Bank
1993-94		
1. Daudnagar	Aurangabad	Punjab National Bank
2. Banka	Banka	UCO Bank
3. Bhabua	Bhabua	Punjab National Bank
4. Kahalgaian	Bhagalpur	Allahabad Bank
5. Bokaro Steel City Branch	Bokaro	Vijaya Bank
6. Katrasgarh Branch	Bokaro	Bank of India
7. Katrasgarh Dhanbad	Bokaro	State Bank of Bikaner & Jaipur
8. Buxar	Buxur	UCO Bank
9. Darbhanga	Darbhanga	Indian Overseas Bank
10. Gaya	Gaya	Punjab National Bank
11 Tekari	Gaya	Punjab National Bank
12. Gopalganj	Gopalganj	Canara Bank
13. Madhubani	Madhubani	Cenara Bank
14. Patna	Patna	State Bank of India
15 Motihari	Purbi Champaran	Canara Bank
16. Jamshedpur	Purbi Singhbhum	State Bank of B&J
17 Jamshedpur	Purbi Singhbhum	Union Bank of India
18. Ranchi	Ranchi	Corporation Bank
19 Sasaram	Rohtas	Canara Bank
20 Hajipur	Vaishali	Union Bank of India
1994-95		
21 Aurangabad	Aurangabad	Central Bank of India
22. Patna	Patna	Canara Bank
23 Patna	Patna	Indian Bank
24 Samastipur	Samastipur	Canara Bank
1995-96 (Upto 31-12-1995)		
25 Raxaul	East Champaram	Canara Bank
26 Bistupur, Jamshedpur	East Singhbhum	Union Bank of India
27 Chutia, Ranchi	Ranchi	Canara Bank
28 Phulwaria	Gopalganj	State Bank of India
29 Tinplate (Golmuri), Jamshedpur	East Singhbhum	Union Bank of India
30 Ranchi	Ranchi	Indian Overseas Bank

STATEMENT-II

Rural Centres in Bihar in respect of which Reserve Bank of India have Granted Authorisations to Public Sector Banks for Opening Branches

Name of Centre	Name of District	Name of Bank
1. East Basuriya	Dhanbad	State Bank of India
2. Sudamdih Project	Dhanbad	UCO Bank
3 Belhari	Saran	Punjab National Bank
4. Turamdih, (Village Purihasa)	Singhbum	State Bank of India
5. Jojbera	Singhbhum (E)	State Bank of India
6. Kulde	Singhbhum (W)	Bank of India
7 Murathakura	Singhbhum (E)	Bank fo India
8. Matiabandhi	Singhbhum (E)	Bank of India

[English]

Bank frauds

407 SHRI SANAT KUMAR MANDAL Will the Minister of FINANCE be pleased to state

(a) whether there has recently been a rising in bank frauds involving foreign and national banks since the implementation of the new economic policy,

(b) if so, the modus-operandi followed in siphoning off hundreds of crores of rupees in connivance with the senior bank managers,

(c) the steps taken by the Government to check this rising trend,

(d) whether the report on the multi-crore bank scam in Calcutta has since been received and examined, and

(e) if so, the outcome thereof and the follow-up action taken thereon?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P CHIDAMBARAM) (a) The number of frauds and amounts involved therein that occurred in public sector banks and foreign banks as reported by the RBI during the years 1990 to 1995 are as follows

(Amount in Rs crores)

Year	Public sector banks		Foreign Banks	
	No	Amount	No	Amount
1990	1687	105 93	29	0 20
1991	1559	65 41	32	0 17
1992	1717	144 49	59	0 71
1993	2213	320 32	167	9 05
1994	2266	200 07	137	2 18
1995	1890	115 51	168	2 35

(Data Provisional)

(b) Withdrawal of deposit accounts through forged instruments fraudulent encashment of negotiable instruments by opening accounts in fictitious names misappropriation through manipulation of books of accounts frauds in clearing transactions, misuse/overstepping of lending discretionary power and frauds in foreign exchange by providing fake import bills etc are some of the methods used in perpetrating of the frauds

(c) The public Sector banks at the instance of Government and RBI have taken several steps from time to time for checking corruption and prevention of frauds These steps include issue of comprehensive guidelines by RBI for strengthening the control mechanism in banks review of fraud cases on a continual basis by RBI advising the banks of modus-operandi in ingenious cases alongwith required safeguards to prevent their recurrence, proper training of operational personnel and investigations and scrutiny into reported cases of major frauds as well as snap inspections covering systems and procedures and control arrangements in fraud prone areas by the Department of Supervision in RBI, etc

(d) and (e) RBI has reported that reports giving the details of the fraud, modus-operandi used amounts involved steps taken to recover the banks funds involved and staff accountability etc have been received from the banks concerned The reports received indicate serious irregularities on the part of the officials such as issue of Fixed Deposit Receipts Bankers' Cheques without consideration drawals against uncleared effects unauthorised overdrafts against third party FCNR deposits/factious deposit receipts, etc These reports also indicate failure of internal control machinery to detect these fraudulent transactions